Small Property Owners Association
287 Huron Avenue
Cambridge, MA 02138
(617)354-5533

September 11, 1992

Ms. Margaret Drury, City Clerk
Office of the City Clerk
795 Mass. Ave.
Cambridge, MA 02139

Dear Ms. Drury:

In our Sept. 4th correspondence to the city council, an error was made. To set the record straight, please distribute copies of the enclosed correction to members of the city council.

Sincerely,

Susan Batchelder

Susan Batchelder
Corresponding Secretary

enclosure

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Cambridge City Council
City Hall
795 Mass. Ave.
Cambridge, MA 02139

To the Honorable City Council:

Please be advised that there is an error in our Sept. 4th correspondence to the Cambridge City Council regarding the preliminary findings of Dr. Rolf Goetze. Please note that the last sentence in section 2 should read:

2. ...Since the inception of rent control, owners have already lost, by transferring to their tenants, over **$200 million dollars** with respect to the CPI (assuming only a 5% interest rate). In 1991 alone, owners have lost over $22 million dollars. With respect to market rents, the loss is even more staggering.

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Corresponding Secretary

The Small Property Owners Association of Cambridge
287 Huron Avenue
Cambridge, MA 02138
(617) 354-5533

August 5, 1992

Ms. Margaret Drury, Acting City Clerk
Office of the City Clerk
795 Mass Ave.
Cambridge, MA 02139

Communication to the City Council

Dear Ms. Drury:

As part of our association's continuous effort to educate the City Council about rent control, we hereby submit a copy of an editorial which appeared in the New York Times on June 27, 1992 along with a WBZ-TV editorial which was aired June 23 - 24, 1992.

We petition you to include these two editorials and this accompanying letter in the record of the council and to distribute copies to all councilors as is customarily done for communications to the council.

We would like further to emphasize that the New York Times, a newspaper not known for conservative tendencies, has categorically agreed with our position toward rent control.

Not only did the Times adopt Vice President Quayle's line that rent control is an "enduring monument to economic illiteracy", but it went further by enumerating the many failures of this system. Rent control, according to the Times, "does serious damage, speeds the destruction of older housing, reduces the city's property tax revenues, and discourages the construction of new rental apartments". The Times concluded that rent control "hurts the poor and the middle class by keeping housing at a costly premium".

The Times also had disparaging language for politicians who support rent control: "who should know better". "They do know better" concluded the Times which is obviously skeptical about these politicians' integrity.

Sincerely,

Susan Batchelder
Corresponding Secretary

enclosures: 2

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*
ARTHUR OCHS SULZBERGER, *Publisher 1963-1992*

N.Y. Times 6/27/92

The Enduring Cost of Rent Control

An "enduring monument to economic illiteracy," Vice President Quayle called rent control in his latest speech bashing New York. On this subject, at least, he's got it right. Rent control remains one of New York City's more galling and costly policies.

It has been in effect ever since World War II — and hasn't made sense for most of that time. It purports to help the poor afford housing. Instead, it does serious damage, speeds the destruction of older housing, reduces the city's property tax revenues and discourages the construction of new rental apartments. That *hurts* the poor and middle class by keeping housing at a costly premium.

Moreover, as a study by the Citizens Budget Commission reiterated last year, rent control helps a small number of low-income New Yorkers but mainly benefits wealthier people who pay artificially low rents — rents in effect subsidized by the taxpayer.

Nobody who understands the economic realities of New York City and its housing stock can justify the perpetuation of rent control. It was an emergency measure enacted during World War II. But it has become an icon in New York City, protected by politicians who should know better.

They do know better. But because real estate is so expensive, rent control has strong support from tenant groups, and no elected official in a position to revise the law will touch it.

Yet there are reasonable ways to release this stranglehold on the housing market. The simplest is called vacancy decontrol, under which apartment rents are freed only when they change hands.

Right now, a reasonable bill to decontrol luxury apartments is stalled in the State Legislature. The measure would decontrol rents of anyone making more than $100,000 a year, and decontrol apartments renting for more than $2,000 a month once the current tenant moves out. The Republican State Senate approved the bill, but it can't even get out of committee in the Assembly, where Democrats from New York City are in charge.

The repeated failure of New York City officials to revise a policy that is so fundamentally unfair and damaging remains a disappointment. Now it is also an embarrassment that it should take Dan Quayle, who scorns New York at every opportunity, to speak the truth about rent control.

WBZ-TV 4

1170 SOLDIERS FIELD ROAD BOSTON MASSACHUSETTS 02134 TELEPHONE 787-7000

GROUP W

GROUP W TELEVISION, INC

The Moral of the Story: Revisit Rent Control

delivered by

Geri Denterlein, Editorial Director, WBZ-TV

Depending upon your perspective, Cambridge, Massachusetts can be either wonderful or flaky. Being a neighbor, we find its bookstores, the best, its restaurants, delicious, its universities, a terrific resource - and its population is among the most interesting and diverse in the state.

But its politics...always well intentioned, often misguided.

Take the recent story about the Prince of Denmark - a young man matriculating at Harvard this fall. He can't live in the dorm because he'll be travelling with several body guards. Instead, he'll rent a house. But not just any house. You see, in Cambridge, much of the rental property is governed by rent control. So the prince of Denmark is planning to live in a rent controlled house.

Sort of turns on its head an ordinance that was passed 22 years ago to protect rental property for Cambridge residents of low and moderate income. It demonstrates just how outdated this ordinance has become. Yet, unlike dozens of other communities that experimented with rent control and later abandoned it, Cambridge holds on. The issue has so polarized city council debates that more innovative proposals to build affordable housing, such as a strong linkage program, have been stymied.

City officials stuck in a mind set about rent control take a lesson from the story of the Prince of Denmark and admit that there are better ways to maintain affordable housing.

TV: 6/23/92 6:56 p.m
6/24/92 12:26 p.m.; 6:56 p.m.

Consent Comm. # 16 Stds

Comm. from Susan Batchelder, Corresponding Secretary, Small Property Owners Association of Cambridge, relative to the issue of rent control.

In City Council,

Sept. 14, 1992

Placed on file